

**M E M O R A N D U M**  
**# 04-05**

TO: All Department and School Fiscal Officers

FROM: Trisha L. Neely, Director

DATE: July 7, 2003

SUBJECT: **Letter of Representation – Statewide Financial Review**

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Please complete the attached “Letter of Representation” in reference to the Statewide Financial Review for Fiscal Year ending June 30, 2003, and forward it to my office upon completion of your GAAP package, but no later than August 15, 2003.

The purpose of the “Letter of Representation” is to acknowledge management’s responsibility for the accuracy of the information submitted in the GAAP packages, for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for the safeguarding of assets, and for devising a system of internal control that will, among other things, help assure the preparation of accurate financial statements.

If you have any questions regarding this matter, please contact Mr. Vernard Wilkerson at 744-1037. Your cooperation is greatly appreciated.

TLN:dcw

Attachment

cc: Vernard Wilkerson, Deputy Director of Accounting

STATE OF DELAWARE  
**LETTER OF REPRESENTATION**

Department/School District\_\_\_\_\_

Trisha L. Neely, Director  
Division of Accounting  
Thomas Collins Building  
540 S. DuPont Highway

Dover, DE 19901

Dear Ms. Neely:

We are providing this letter in connection with your preparation of the basic financial statements of the State of Delaware, as of and for the year ended June 30, 2003. We confirm that we are responsible for the fair presentation of the GAAP package in conformity with accounting principles generally accepted in the United States of America. We acknowledge management's responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for the safeguarding of assets, and for devising a system of internal control that will, among other things, help assure the preparation of accurate financial statements.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you:

1. The GAAP package referred to above and submitted to your office has been completed per the GAAP package instructions and information submitted agrees to our financial records and related data. Documentation is available for review by the Division of Accounting, the State's auditors, or other auditors upon request to verify the accuracy of the data reported.
  
2. There have been no:

- a. Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
  - b. Violations or possible violations of laws or regulations, the effects of which should be considered for disclosure in the basic financial statements or as a basis for recording a loss contingency.
  - c. False statements affecting the GAAP package made to you, the State's auditors, or other auditors who have audited information under our control, which may be used in the preparation of the Statewide CAFR.
3. There are no Significant deficiencies in the design or operation of internal controls, which could adversely affect this organization's ability to record, process, summarize and report financial data, and we have identified no material weakness in internal controls.
4. There are no:
  - a. Unasserted claims or assessments that our lawyers have advised us are probable of assertion and must be disclosed.
  - b. Other liabilities or gain or loss contingencies that is required to be accrued or disclosed.
  - c. Material transactions, for example, grants or accounts receivable that have not been properly recorded in the accounting records underlying the GAAP package.
  - d. Events that have occurred subsequent to the date of the GAAP package and through the date of this letter that would require adjustments to or disclosure in the GAAP package.
5. This organization has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
6. Capital assets are properly capitalized and reported in the State's Fixed Asset Accounting System.
7. Deposits and investment securities are properly classified and reported.
8. The organization has complied, in all material respects, with applicable laws, regulations, and grants that could have a material effect on the GAAP package in the event of noncompliance.
9. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
10. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.

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**Signature of Department Secretary or School Superintendent**

\_\_\_\_\_  
**Date**

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**Chief Financial Officer**

\_\_\_\_\_  
**Date**